

The Canadian Shredded Wheat Company, Limited - - *Appellants*

v.

The Kellogg Company of Canada Limited and another - *Respondents*

FROM

THE COURT OF APPEAL FOR ONTARIO

JUDGMENT OF THE LORDS OF THE JUDICIAL COMMITTEE OF
THE PRIVY COUNCIL, DELIVERED THE 4TH FEBRUARY, 1938

Present at the Hearing :

LORD ATKIN.

LORD THANKERTON.

LORD RUSSELL OF KILLOWEN.

LORD WRIGHT.

LORD MAUGHAM.

[*Delivered by* LORD RUSSELL OF KILLOWEN.]

In this case the Canadian Shredded Wheat Co., Ltd. (hereinafter referred to as the plaintiff) sued two defendants in the Supreme Court of Ontario, claiming an injunction to restrain an alleged infringement of registered trade marks and passing off of goods, and damages. The Trial Judge dismissed the action with costs. The plaintiff appealed to the Court of Appeal for Ontario, and the appeal was dismissed with costs. The plaintiff now appeals to His Majesty in Council.

The circumstances which have given rise to this litigation are exceptional, and must be stated in some detail.

On the 27th May, 1896, one Henry D. Perky obtained a grant of Canadian Letters Patent (No. 52,428) covering a new product which he had invented, and a process and machine by means of which the new product was prepared or produced. According to the patent, wheat is taken in berry form and, after being thoroughly washed, is boiled for about an hour. It is then dried for some hours. The berries are then passed between compression rollers one or both of which is or are provided with a series of fine circumferential grooves whereby the berries are mashed, and their outer bran coats, gluten layers and starchy interior portions are thoroughly incorporated together and forced into the grooves whence the resultant food is discharged by means of a comb "in light porous and tender threads or filaments

into a pan or other receptacle, or upon a moving receiver whereby they may be disposed in layers". The specification then proceeds as follows:—

The food as discharged from the rolls is ready for use without further cooking, or it can be shaped for baking in various ways.

The food presented is a purely cereal product, and all the parts of the berry are given to the consumer in attractive form. No chemical change is set up therein by the use of ferments or other foreign ingredients, and the percentage of water in the food is much less than in ordinary bread.

The article as produced is a food or bread composed of superposed or massed layers or deposits of comparatively dry, externally rough, porous, sinuous threads or filaments of cooked whole wheat, containing intermixed the bran, starch and gluten of the entire berry, and which is absolutely free from leavening or raising material or their products.

The apparatus for carrying out the process is then described, and finally the product, the process and the apparatus are severally claimed, the claim for the invented product being thus phrased:—

"A food or bread composed of superposed or massed layers or deposits of comparatively dry, externally rough, porous, sinuous threads or filaments of cooked whole wheat containing intermixed the bran, starch and gluten of the entire berry and which is free from leavening or raising material or other products."

It will be seen that the invented product is the food as discharged from the rollers, which may be either collected in a receptacle, or formed into layers by means of a moving receiver, and which may be used in its then condition or may be further cooked by being baked in shapes.

On the 13th August, 1901, Perky obtained a grant of Canadian Letters Patent (No. 72,695) for improvements in and relating to machines for making biscuits and other articles. This patent covered the machine which was used by the plaintiff for the production of biscuit shapes, composed of the new product (the subject of Patent No. 52,428) which issued from the rollers on to a travelling band.

The new product was called and was known by the name of shredded wheat. Although the process covered by Patent No. 52,428 may be strictly a mashing rather than a shredding process, the product in fact presents every appearance of having been shredded; and it is to be observed that the patentee in his patent No. 72,695 himself refers to the process as "shredding the grain". There can be no manner of doubt that the name shredded wheat very aptly describes the new product.

The new product was first marketed in Canada in the year 1898 by a company which was registered in the United States of America, and which had its factory in that country. It continued to be imported from the United States into Canada and sold there to some extent for some six or seven years. In the year 1904 the plaintiff was incorporated under

the laws of the Province of Ontario. It acquired the goodwill of the business in Canada of the company which was at that time importing the product into Canada and selling it there. It built a factory for its manufacture on the Canadian side of Niagara Falls, and in 1905 commenced and has ever since continued to manufacture the product in Canada and to sell it there. The product was sold in two forms. The one a biscuit which consisted of the shredded wheat produced by the process and apparatus protected by patent No. 52,428, after it had been panned and cut for baking by the apparatus protected by patent No. 72,695, and baked. The other a biscuit made of the same material cut in a flattened and compressed form, which the plaintiff sold under the name "Triscuit". The trade in Triscuits was small, but the plaintiff's trade in the other biscuit undoubtedly developed large proportions.

The patent No. 52,428 expired in the year 1914. Down to that time no one had sold or could sell the product known as shredded wheat in Canada except the plaintiff and its predecessors in title. In other words for some 17 or 18 years the plaintiff and its predecessors had enjoyed the monopoly of selling the patented product in Canada. Upon the expiry of the patent anyone in Canada could make it. The patent No. 72,695 expired in 1919. The plaintiff's monopoly thereunder then ceased, and any manufacturer of the product in Canada could use the apparatus covered by that patent, for the purpose of panning and cutting the product for baking. Anyone would be entitled to sell in Canada the articles so produced as shredded wheat, or shredded wheat biscuits, provided that in so doing he did not (1) infringe some other person's trade mark or (2) pass off the goods as being the manufacture of some other person.

In 1912 the plaintiff had registered in Canada as a trade mark "to be applied to the sale of shredded cereal biscuit", a picture of a shredded wheat biscuit in a dish or bowl, with a spoon resting in the bowl. The biscuit as depicted shows the shape, resembling somewhat a little pillow or roll, which the biscuit apparently necessarily assumed after the article, which resulted from the product having been panned and cut by the apparatus under patent No. 72,695, had been baked.

For some years after the expiry of the two patents the plaintiff continued in fact to enjoy its monopoly in Canada. No rival manufacturers appeared upon the scene.

In 1924 a strange event happened. The United States Company (The Natural Food Company) which had in 1904 sold the goodwill of its Canadian business to the plaintiff, had changed its name to The Shredded Wheat Co. In March, 1924, it applied to have registered as its trade mark in Canada in respect of biscuits or crackers the words "Shredded Wheat", alleging (amongst other things) that from the 1st January, 1894, to date it had adopted and used the said trade mark by applying it to cartons containing the biscuits, that no other person had used the mark in Canada

in connection with the sale of goods, and that it had had a factory at Niagara Falls, Ontario, for a great number of years. Here was a pretty confusion of ideas and entities; but the words "Shredded Wheat" were in fact registered in the Trade Mark Register at Ottawa as the trade mark of the Shredded Wheat Company, to be applied to the sale of biscuits or crackers. And the words remained so registered for more than three years. The registration, however, was cancelled in September, 1927. On the 20th March, 1928, the words "Shredded Wheat" were registered as the plaintiff's trade mark to be applied to the sale of biscuits and crackers; and on the 3rd April, 1929, the same words were registered as its trade mark to be applied to the sale of cereal foods cooked or prepared for consumption.

In the year 1934 the Kellogg Company of Canada, Ltd., the first defendant to the action (hereinafter called Kellogg's) began to sell in Canada biscuits made of shredded wheat. Among their customers was a retail grocer one Solomon Bassin (the second defendant to the action) who in turn resold some of the said biscuits to his retail customers. The plaintiff immediately issued the writ in these proceedings and obtained an undertaking (without prejudice) which had the effect of stopping the alleged wrongful sales until the trial or other final disposition of the action.

The biscuits sold in Canada by the defendants were made by the same or substantially the same process as that by which the plaintiff's biscuits are made. In other words the patented processes were used and the patented product was thereby produced. The biscuit manufactured by Kellogg's, though of the same pillow or sausage roll shape was some 25 per cent. shorter in length. It would seem from the evidence that the rounded pillow shape is the result of puffing-up in the baking of the product, after it has been panned and cut by the apparatus protected by patent No. 72,695. The length and width would be determined by the width of the stream of the product and the spacing of the cutters. Kellogg's sold their shredded wheat biscuits in cartons, each containing 15 biscuits packed in five layers of three biscuits each, the layers being separated by a corrugated separator or pad. The carton contained on each of its four sides and also on the top and bottom the words "Kellogg's Shredded Whole Wheat Biscuit". On the top and bottom appeared the words "Made in U.S.A.". On the two broad sides appeared the words "W. K. Kellogg" and "Kellogg Company, Battle Creek, Michigan.". The cartons made it plain for all the world to see that the contents of the cartons were biscuits composed of shredded wheat, manufactured by a U.S.A. company called Kellogg Company. No passing off by means of get up of the cartons is alleged or could be alleged by the plaintiff. Indeed Kellogg's carton was in all respects quite different in get up and appearance from the cartons in use by the plaintiff. Apart from a question of passing off by reason of the form or shape of Kellogg's biscuit, the plaintiff's claims

to relief are two, and are both founded upon the use by Kellogg's of the two words shredded wheat.

In the first place the plaintiff claims an injunction to restrain the defendants from infringing the registered trade marks consisting of the words "Shredded Wheat" by the use of the words "Shredded Wheat", or "Shredded Whole Wheat" or "Shredded Whole Wheat Biscuit" or any words only colourably differing therefrom. As to this claim their Lordships at this stage content themselves with observing that if the plaintiff's said trade marks are valid trade marks there can in their opinion be no doubt that the defendants by selling biscuits as shredded whole wheat biscuits do infringe those marks.

If the plaintiff succeeds on the first claim, no injunction in respect of alleged passing off by the use of the words shredded wheat would be required. But in the event of the trade marks being held invalid the plaintiff asks for an injunction to restrain the defendants from (putting it shortly) by the use of the same words or any words only colourably differing therefrom, passing off Kellogg's biscuits as the plaintiff's biscuits.

Their Lordships proceed to deal with these alternative claims, each of which as will be seen involves a consideration of the question of the aptness or capability of the words shredded wheat to distinguish the product or article manufactured by the plaintiff from a similar product or article manufactured by anyone else; or their aptness or capability of indicating that goods to which they are applied are the exclusive manufacture of the plaintiff.

The plaintiff's first trade mark was not registered until the year 1928, when application was made to register the words "Shredded Wheat" to be applied to the sale of biscuits and crackers. For years down to 1912 the plaintiff had been the sole manufacturer of biscuits composed of a patented product to which had been given the name shredded wheat, a name, as their Lordships think, completely descriptive of the patented product. There can be little doubt that had the plaintiff, when the patent expired, attempted to register the words "Shredded Wheat" as a trade mark for the sale of biscuits and crackers, the application would have met with short shrift. It would be attempting by registering the name of the patented product to prolong the patent monopoly: and this may not be done. Had the plaintiff during the currency of the patent applied to the product manufactured by it, a distinctive trade mark duly registered, it could have effectively secured for itself a means by which when the patent expired the shredded wheat which it manufactured would be distinguished from the shredded wheat manufactured by others, if and when anyone chose to avail himself of the right then open to the public of manufacturing shredded wheat. But this the plaintiff failed to do, except for the registration in 1912 of the bowl and spoon trade mark before referred to, and its user to

the extent which hereinafter appears. The language used by Lindley L.J. in *re Palmers Trade Mark* (24 Ch.D. at p. 521) may properly be quoted in this connection, viz.:—

“ I do not mean to say that a manufacturer of a patented article cannot have a trade-mark not descriptive of the patented article so as to be entitled to the exclusive use of that mark after the patent has expired; for instance if he impressed on the patented articles a griffin or some other device; but if his only trade-mark is a word or set of words descriptive of the patented article of which he is the only maker, it appears to me impossible for him ever to make out as a matter of fact that this mark denotes him as the maker as distinguished from other makers.”

The plaintiff, however, claims that in the interval between the expiry of the patent in 1914 and the registration of the trade mark in 1928, no one else (with one possible exception) had manufactured the patented product, and that the words had in fact become distinctive of its manufacture and were properly registrable as its trade mark accordingly.

The trade marks here in question were registered under the Trade Mark and Design Act (R.S. Canada 1927 c. 201). Section 5 (1) defines what for the purposes of the Act shall be considered and known as trade marks, in the following terms:—

5. All marks, names, labels, brands, packages or other business devices, which are adopted for use by any person in his trade, business, occupation or calling, for the purpose of distinguishing any manufacture, product or article of any description manufactured, produced, compounded, packed or offered for sale by him, applied in any manner whatever either to such manufacture, product or article, or to any package, parcel, case, box or other vessel or receptacle of any description whatsoever containing the same, shall, for the purposes of this Act, be considered and known as trade-marks.

By section 13 it is provided that after registration the proprietor “ shall have the exclusive right to use the trade mark to designate articles manufactured or sold by him”. By section 11, however, registration may be refused “ if the so-called trade mark does not contain the essentials necessary to constitute a trade mark properly speaking”. The effect of this provision is that a word is not registrable under the Act as a trade mark which is merely descriptive of the character and quality of the goods in connection with which it is used. (*Standard Ideal Co. v. Standard Sanitary Manufacturing Co.* [1911] A.C. 78 and *Channell v. Rombough*, 1924, S.C.R. 600.) It is, however, clear that such a descriptive word may possibly have acquired a secondary meaning, and have come to mean or indicate that the goods in connection with which it is used are the goods of a particular manufacturer: in other words that the word in question has in its secondary meaning become indicative of origin. (*Crosfield's Application* [1910] 1 Ch. 130.) But the onus on the person who attempts to establish this secondary meaning is a heavy one. If in addition to being descriptive of the goods in connection with which it is used, it is in fact the name of the product of which those goods are composed

then it would seem to their Lordships that a state of affairs exists which makes it extremely difficult that the word should ever become indicative of origin, so as to render it capable of registration as a trade mark. The difficulty may sometimes be overcome in a case where the alleged trade mark is in fact a description of the goods, but is not recognised by the trade or the public as being such, and is taken by them as being a fancy name, e.g. where a chemical description not generally known to the public has been adopted, or where an unusual substance unknown to the public is being used in the manufacture. Where the words are purely descriptive and in common use it is even more difficult to conceive a case in which they could acquire a secondary meaning.

It is, however, contended that in the present case such extreme difficulty has been surmounted, and that the evidence has established the fact that the words shredded wheat have acquired a secondary meaning, and when applied to biscuits mean shredded wheat biscuits manufactured by the plaintiff and by no one else. Their Lordships, therefore, proceed to consider the evidence, calling attention, however, to the fact that the oral evidence was in point of time not specifically directed to the date when the trade mark was registered, but referred to the time at which each particular witness was speaking and was, therefore, more strictly relevant to the general question of passing off.

In the first place it is of primary importance to see how the plaintiff used the words shredded wheat, i.e., to see whether the plaintiff used them as a trade name or common law trade mark for the purpose of indicating the origin of the goods, or whether they were used by the plaintiff merely descriptively. It was said in argument that the way in which the plaintiff used the words was irrelevant. Their Lordships do not agree with this contention. In endeavouring to ascertain what it is that indicates who is the manufacturer of goods great weight must necessarily be attached to the steps which the manufacturer takes to indicate origin. Indeed the foundation of the relief granted in the well known case of *Reddaway v. Banham* ([1896] A.C. 199), to which further reference must be made hereafter, was that the words there in question had been used by the plaintiff as a trade mark. There was no question in that case of a registered trade mark; but the plaintiff had used the words as a common law trade mark. As Lord Herschell phrased it (at p. 214)—“he has chosen to employ it as his trade mark”. The judgments of Lord Shand and Lord Davey in the case of *Cellular Clothing Co. v. Maxton* ([1899] A.C. 326) attach the same importance to the user of the word in question by the person who is claiming that a descriptive word has acquired a secondary meaning as indicating exclusively his goods. Lord Shand (at p. 338) said—“I am of opinion that the word is purely descriptive and was so used by the appellants”. Lord Davey relied on the appellants' advertisements as showing that they used the word as descriptive of

the goods and not as indicating their origin. Further in *Burberrys v. Cording* (26 R.P.C. 693), Parker J. said that in the absence of evidence of intention to deceive (and there is none such here) the inference of probability of deception must depend on the circumstances of each particular case, including the nature of the word or name the use of which is sought to be restrained; and he adds the following observations most pertinent to the present case:—

“ It is important for this purpose to consider whether the word or name is *prima facie* in the nature of a fancy word or name, or whether it is *prima facie* descriptive of the article in respect of which it is used. It is also important for the same purpose to consider its history, the nature of its use by the person who seeks the injunction, and the extent to which it is or has been used by others.”

Before and up to 1928 the plaintiff's shredded wheat biscuits were sold in cartons, each containing 12 biscuits. On the top and bottom of each carton appeared the words “ Shredded Whole Wheat ”. On one of the broad sides there was a large picture of a factory across the top front of which were the words “ The Canadian Shredded Wheat Company, Ltd. ”: above it were printed the words (in large capitals) “ Shredded Wheat ” and (in smaller capitals) “ Made in Canada ”: below it were printed the words “ The Shredded Wheat Factory, Niagara Falls, Ontario ”. On the other broad side there were printed at the top in large capitals the words “ Shredded Wheat ”, and underneath in smaller type and parallel columns a series of statements as to the merits of shredded wheat and directions—such as “ The crispness of its shreds promotes thorough mastication, which is the first process in digestion. Heat the Biscuit in the oven to restore crispness; then pour hot or cold milk over it, adding a little cream. Salt or sweeten to taste ”. Below occur the following words in capitals and in separate lines as shown by hyphens:—“ Heat the Biscuit in oven to restore crispness ”—“ As made for 25 years ”—“ The Canadian Shredded Wheat Co., Ltd. ”—“ Niagara Falls, Ont.:—Canada ”. There is also a reference to a company in London, England, as being the European distributors. Occupying one of the narrower sides is found a picture of Niagara Falls, and on the picture appeared the words “ The Home of Shredded Wheat, Niagara Falls, Ontario ”. On the other narrower side are found the words “ The Original Shredded Wheat ”, and, immediately underneath, the picture of a bowl containing one of the biscuits and a spoon resting in the bowl with the words “ Trade Mark ”. In addition further below are found the words—“ Twelve (12) Biscuits ” and, in quotation marks, “ Its all in the Shreds ”.

A consideration of this carton (Exhibit 6), which was the form in which the biscuits were, at the relevant times, being sold throughout Canada, makes it clear in their Lordships' view, that the plaintiff was in no way using the words shredded wheat as indicative of the origin of the goods contained in the carton, but was using them only as descriptive of those goods. The indications of origin are the trade mark in

association with the factory at Niagara Falls and the name of the company all of which are prominently displayed. By that carton the plaintiff was telling the public as plainly as it could, that shredded wheat need not necessarily be of its manufacture, but that it was the person who was the original manufacturer of the product known as shredded wheat. The plaintiff was in fact using the words shredded wheat to indicate the thing, not the manufacturer, to indicate the stuff of which the biscuits were composed, not who made them.

An examination of such advertisements as have been put in evidence leads to the same conclusion. Exhibit No. 24 contains photostatic copies of ten advertisements which appeared in issues of *The Globe* newspaper of Toronto during the years 1908, 1910, and 1913, at times, that is to say, while the patents were still in force. Three, which appeared in 1908, contain no indication of the manufacturer. They praise "Shredded Wheat". They recommend a biscuit for breakfast and a biscuit for luncheon, the article in each case being described as made of shredded wheat. One, which appeared in 1910, advertises "Shredded Wheat Biscuits", urges people to try shredded wheat for breakfast, and acquire the shredded wheat habit. This advertisement displays prominently the name of the plaintiff with the words added, "Niagara Falls, Ont.". The remaining six all appeared in the year 1913. They all (except one) contain prominently the name and address of the plaintiff, and in addition the picture of the bowl with a biscuit inside and a spoon resting in the bowl. The bowl is steaming and there is no reference to a registered trade mark. The exception is an advertisement of Triscuit, which is described as "The Shredded Whole Wheat Wafer". In none of these is there any user of the words shredded wheat as indicative of the manufacturer of the biscuit or triscuit. The words are used merely as describing the substance of which the biscuit and triscuit are composed. Exhibit No. 40 contains a series of advertisements which appeared in *The Toronto Globe* between the 1st May, 1913, and the 30th April, 1915. Down to the end of 1914 the advertisements of the biscuits all contain prominently the plaintiff's name and address, a picture of the bowl, biscuit and spoon: and the words shredded wheat appear to describe the stuff of which the biscuit is made. In 1915 the name of the plaintiff drops out of the advertisements, but the picture of the bowl, etc., continues and in addition the following words occur, "Made at Niagara Falls, Ontario". In these advertisements also the words shredded wheat are used merely as describing what is the composition of the biscuits and triscuits; they invariably state it thus:—"Shredded Wheat is made in two forms, Biscuit and Triscuit". Other advertising matter was put in evidence, viz., Exhibit 10 which consisted of a collection of advertisements in the United States by the United States company which was manufacturing shredded wheat at Niagara Falls, N.Y. These advertisements only become admissible and relevant by reason of the evidence given by Mr. Edwin Wallace. Mr. Wallace had been with the

U.S.A. company at Niagara Falls, N.Y., from June, 1901, until about 1904 or 1905, when he became superintendent of the plaintiff, a post which he held until 1924. Mr. Wallace was asked to look at Exhibit 10 and to state whether that was the way in which during his association with the plaintiff, the product had been advertised and described, and he replied—"This is the advertising which has been carried on for many years". In these advertisements also the words shredded wheat are used descriptively and not as indicating the exclusive manufacture of any person. As an instance the public is warned—"Look for the picture of Niagara Falls on the carton when you buy Shredded Wheat Biscuit. Any other shredded wheat that may be offered you is merely a poor imitation of the only original Shredded Wheat". And again—"When you ask for Shredded Wheat be sure you get the original Shredded Wheat you have always eaten, made at Niagara Falls, N.Y."

In the face of the use by the plaintiff of the words shredded wheat as appearing on the carton (Exhibit 6) and in the advertisements, it would appear to their Lordships difficult to believe that the words shredded wheat could have acquired a secondary meaning indicating goods exclusively manufactured by the plaintiff. It is, however, claimed by the plaintiff that the oral evidence establishes the fact. This necessitates a consideration of that evidence.

Three classes of witnesses (some 27 individuals) were examined on commission, viz., consumers, retail grocers, and wholesale grocers. They came from every province of Canada with the exception of Ontario and Quebec, but a formal admission was made on behalf of the defendants that similar witnesses from those provinces would, if examined on commission, testify to the same effect. It may thus be taken that the evidence, such as it is, covers the whole Dominion. Without analysing it in detail it may be stated that, in their Lordships' opinion, it falls far short of establishing that in 1928, or indeed at any time, the words shredded wheat had acquired a secondary meaning which meant that the goods to which they were applied were the manufacture of the plaintiff and of no one else. The questions (couched often in a leading form) and the answers given are full of ambiguity. It must be remembered that shredded wheat was not only the name given by the inventor to a new product which could be baked into a biscuit, but was also descriptive of the product both as to its composition and its appearance. It must also be remembered that for a lengthy period the plaintiff enjoyed a legal monopoly of making and selling in Canada the product shredded wheat baked into biscuits, and that, with the negligible exception of some shredded wheat biscuits called muffets, the plaintiff continued to be the sole maker of the product, baked or otherwise. In these circumstances it was inevitable that the words shredded wheat and shredded wheat biscuits should become associated in Canada with the goods of the plaintiff, since many members of the public would get to know that the product shredded wheat was in fact the plaintiff's product.

But this is far from establishing the required meaning of distinctiveness, which must carry with it the feature that the goods distinguished are the goods manufactured by a particular person and by no other. A word or words to be really distinctive of a person's goods must generally speaking be incapable of application to the goods of anyone else. It is on this point that the evidence breaks down. It is full of ambiguities. One is left in doubt whether a witness in speaking of shredded wheat refers to the baked biscuit or to the material of which it is composed; and the answers of many are inconsistent with the witness really believing that the words shredded wheat necessarily indicate goods manufactured by the plaintiff exclusively and by no one else. A few examples will suffice. McDowell, a retail grocer in Vancouver, when asked whether he ever stocked any other shredded wheat than that made by the plaintiff, merely answered in the negative. That is not the answer of a man who believed that shredded wheat was the exclusive manufacture of the plaintiff. To such a man the question is suggesting an impossibility, and would be repudiated as such. The same question is put with the same complacent answer to many other witnesses, of whom it may be sufficient to mention Strathdee (a wholesale grocer of Regina), Braine and May (retail grocers of the same place), and Bull (a retail grocer of Calgary) who also made the following illuminating contribution to the discussion—viz., that when asked for shredded wheat he supplied the plaintiff's carton "because I have nothing else like it in the store", which can only mean because he had no one else's shredded wheat in stock.

The evidence of Cunningham (a consumer living in Calgary) who identified a package of the plaintiff's biscuits by the picture of Niagara Falls on the carton may well be cited as an illustration of the true value of the evidence given in relation to the peculiar circumstances which existed in the present case. Being shown one of the plaintiff's modern cartons which he says he can identify "as a package of shredded wheat", he is asked "Do you know by whom that article is made?" and he answers—"I imagine by the Shredded Wheat Company of Canada". The concluding portion of his examination in chief ran thus:—

Q. Have you ever known any other article on the market which has been called by the name Shredded Wheat? A. Not to my knowledge.

Q. And when you go into a store and ask for Shredded Wheat, what is it you expect to get? A. Shredded wheat.

Q. This article Exhibit "1"? A. Yes, this is the only one I have ever known so I naturally would not know of any other.

Q. Have you had occasion to order shredded wheat in hotels or restaurants? A. Yes, quite often. I have my breakfast quite often downtown at the Club Cafe on 8th Avenue and that is what I get for shredded wheat.

Q. How is that served to you? In the restaurants or hotels? A. In an ordinary individual bowl, I like bananas with my shredded wheat.

Q. It is not served in the carton? A. No, they have, I believe, individual packages, I think. I have noticed them in restaurants, where you break your own package, but that I am not quite sure of.

Q. But generally speaking. A. That biscuit is the way it is served in an individual bowl.

Q. When you order in that way do you see the package or carton from which the biscuit is taken? A. No. When you order shredded wheat I expect, you naturally expect to get shredded wheat because I have never known anything other than that particular biscuit. I mean as far as I know there has never been anybody else in Canada bring out Shredded Wheat.

Their Lordships think it unnecessary further to analyse the oral evidence. It is, they think, sufficient to say that it fails to show that the words shredded wheat, which were both the name of and descriptive of Perky's invented product, ever acquired the secondary meaning of being distinctive of goods manufactured exclusively by the plaintiff. It would in their opinion be passing strange if they had acquired such a meaning, for it would be a meaning directly contrary to the sense in which those words had been put forward to the public by the plaintiff in its cartons and advertisements. The circumstances existing in the present case and the extreme difficulty of the plaintiff succeeding in establishing the desired secondary meaning, are exactly those which are described by Lord Davey in the well-known case of *The Cellular Clothing Company, Ltd. v. Maxton* ([1899] A.C. 326) in the passage (at pp. 343-4) which has been aptly cited by McTague J. in his judgment in the present case.

It was contended that McTague J. had found the facts upon the issue of distinctiveness in favour of the plaintiff; but their Lordships are unable so to read his judgment. Had he done so he must, they think, have granted relief against infringement of trade marks. He states that the general effect of the evidence is that the words shredded wheat mean to the witnesses the goods of the plaintiff. In view of the monopoly enjoyed under the patent, and the monopoly subsequently in fact enjoyed, the words must necessarily be identified with the plaintiff's goods; but in view of those exceptional circumstances the learned judge holds that the requisite secondary meaning of exclusive distinctiveness has not been established. To quote his words:—

“ On the branch of the issue having to do with infringement of the trade mark the conclusion must be that the words whose use is complained of, are common words merely descriptive and have not acquired a secondary meaning in such manner as to give the plaintiff the relief sought.”

Their Lordships agree with this finding, which also had the approval of the Court of Appeal.

In the result their Lordships agree with both the Ontario Courts in holding that the registrations of the plaintiff's trade marks “ Shredded Wheat ” were invalid, and that so far as the action is based on infringement of trade marks, it fails.

The same result must, they think, ensue in regard to passing off, so far as the alleged passing off is based on the use of the words shredded wheat. Once it is established that these words are both the name of a product and descriptive of that product, the difficulty of establishing a passing off merely by the use of those words in relation to the product is extreme. The case mainly relied upon by the plaintiff was the case of *Reddaway v. Banham* already referred to. In that case the use of words which in fact described the belting there in question, and which in a sense could be said to be its name, was restrained on the ground of passing off. The facts in that case were exceptional and peculiar, and have no real relation to the facts of the present case. For years different manufacturers of belting had made belting consisting of a yarn which was in fact principally composed of camel hair, but which was not known to contain in fact camel hair. Each manufacturer had given the distinctive name of some animal to his belting; e.g., Yak, Buffalo, Llama, Crocodile, etc. The plaintiff had identified his with the Camel; and every one concerned was under the impression that the plaintiff's name Camel hair belting was a fancy name and in no way descriptive. The defendants Banham began in the year 1891 to make belting made of yarn like the plaintiff's, and gave it the name of the plaintiff's belting, viz. "Camel Hair Belting". Upon the facts of that case a jury found, and no wonder, that the words (though descriptive in fact of the goods) meant the plaintiff's belting as distinct from the belting of other manufacturers. The decision is one easily to be accounted for on the special facts, viz., that owing to the general but mistaken belief that camel hair was a fancy name, the requisite secondary meaning had in fact been acquired.

The plaintiff's action must in their Lordships' opinion fail so far as it is based on the use of the words shredded wheat, with the result that as against the defendant Bassin the action was properly dismissed.

The plaintiff, however, claims as against Kelloggs a passing-off injunction based upon the allegation that Kellogg's biscuits are of such shape and size, that hotel and restaurant keepers could, if so minded, supply them in response to the request of a customer who, in asking for shredded wheat desired to be supplied with biscuits of the plaintiff's manufacture.

Their Lordships see no reason for granting any such relief upon the evidence given in the present case. They are not satisfied that a person asking for shredded wheat, will not have his request truly satisfied if the product shredded wheat as manufactured by Kelloggs or any other manufacturer is supplied; nor are they satisfied that a customer who really desires a biscuit of the plaintiff's manufacture, will necessarily be deceived by being offered a biscuit of the same shape but perceptibly smaller. Such likelihood of deception requires to be proved and it is

noticeable that no witness was shown a Kellogg's biscuit and asked whether he would have taken that to be a biscuit of the plaintiff's manufacture. The plaintiff has not in their Lordships' opinion made out a case in these proceedings which would justify the granting of a passing-off injunction based solely on the form of the biscuit.

Some further observations their Lordships think it desirable to make. Their decision has been reached without basing it specifically upon the existence of patents which have expired. Their Lordships, however, find it difficult to conceive that a manufacturer could in such a case be held guilty of passing off, if he manufactured the goods in accordance with the expired patents, and the only similarity between the rival goods lay in the appearance of the goods so manufactured and the application to them of the name by which the patented goods had been known. It is conceivable that in the case of a patent, long ago expired, the evidence might possibly establish that the name had become distinctive of a particular manufacturer rather than descriptive of the goods, with the result that other manufacturers of the goods could be compelled to adopt some means of effectively distinguishing their goods from those of the particular manufacturer. But difficult as such a case is to prove in the case of a descriptive word, it must be additionally difficult in the case where a word is the name of goods as well as being descriptive of those goods. The case of *Edge v. Nicolls* ([1911] A.C. 693) was peculiar in that the goods there in question which were offered for sale were pieces of washing blue, while the special form of stick which the defendants were restrained from associating with their pieces of washing blue was in effect part of the get-up of the plaintiff's goods. In *Boake v. Wayland* (26 R.P.C. 251) while the name of the patented article was "Kalium Meta Sulphite", or more technically "Meta Sulphite of Potassium" the letters or initials K.M.S. were proved to distinguish in the brewing trade, the Kalium Meta Sulphite or Meta Sulphite of Potassium manufactured by the plaintiffs, from the same article of other persons who were making it and calling it by various other names. The defendant was restrained from applying the letters or initials K.M.S. to his goods. In the case of *Edison Storage Battery Co. v. Britannia Batteries, Ltd.* 48 R.P.C. 350, the distinctiveness was proved by admissions made by the defendants themselves, but for which, as Bennett J. pointed out, the plaintiffs would have had difficulty in satisfying the Court that descriptive words had become distinctive. Moreover the plaintiffs' task in that case was clearly rendered less difficult by the fact that the words there in question included the actual name of the inventor. Each of these cases presented some peculiar feature which brought the necessary proof within the range of possibility.

One further observation their Lordships desire to make. Litigation has taken place in the United States of America in which a company called National Biscuit

Company sought to restrain a company called Kellogg Company from using the words "Shredded Wheat". The action was dismissed by decree of the U.S. District Court for the District of Delaware; and on appeal to the U.S. Circuit Court of Appeals for the Third Circuit, the decree was affirmed. Subsequently on reargument before the same Judges, that decision was reversed, and a decree was entered "enjoining the defendant from the use of the name 'Shredded Wheat' as its trade name, and from advertising or offering for sale its product in the form and shape of plaintiff's biscuit in violation of its trade mark". Their Lordships can only (but with the greatest respect for that Court) express the view that if the facts of that case were similar in all respects with the facts of the present case, they prefer the first judgment of the Circuit Court of Appeals to its later decision.

Their Lordships are of opinion that this appeal should be dismissed and will humbly advise His Majesty accordingly. The appellants must pay the costs of the appeal.

In the Privy Council

THE CANADIAN SHREDDED WHEAT
COMPANY, LIMITED

v.

THE KELLOGG COMPANY OF CANADA
LIMITED AND ANOTHER

DELIVERED BY
LORD RUSSELL OF KILLOWEN

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